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UNITED STATES BANKRUPTCY COURT
IN AND FOR THE EASTERN DISTRICT OF WASHINGTON

In re:

HUSCH & HUSCH, INC.,

Debtor.

No.: **20-00465-WLH11**

Chapter 11

**NOTICE TO CREDITORS RE: DEBTOR'S
MOTION FOR ORDER TO APPROVE
DEBTOR'S EXECUTION OF:**

- 1. AMENDMENT TO ARTICLES OF
INCORPORATION OF HUSCH &
HUSCH, INC.;**
- 2. AMENDMENT TO SHAREHOLDER
AGREEMENT; AND**
- 3. MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS AND
SHAREHOLDERS OF HUSCH &
HUSCH, INC., A WASHINGTON
CORPORATION**

TO: Creditors and other parties in interest listed on the Master Mailing List;
TO: Arnold M. Willig, Hacker & Willig, Inc., P.S., Attorneys for Heritage Bank
requesting special notice;
TO: Todd Reuter and Tara Schleicher, Foster Garvey, PC, Attorneys for Helena
Agri-Enterprises, LLC a/k/a Helena Chemical Company requesting special
notice;
TO: Donald A. Boyd, Hummer Boyd, PLLC, Special Counsel for Debtor requesting
special notice; and
TO: John O'Leary, Hames Anderson Whitlow & O'Leary, P.S., Attorneys for
Edward Boob requesting special notice; and
TO: Daniel J. Gibbons, Witherspoon Kelley, Attorneys for International Raw
Materials, Ltd. requesting special notice; and
TO: United States Trustee

PLEASE TAKE NOTICE that Debtor's shareholders have entered into an agreement
to convert debt and/or claims they hold against Debtor to non-voting common stock. By
doing this, the debt to asset ratio of Debtor is substantially improved. This act also

Notice-1

SOUTHWELL & O'ROURKE, P.S.
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subordinates shareholders' unsecured claims, totaling Nine Hundred Sixty-Four Thousand Sixty-Two and 58/100 (\$964,062.58) for loans to Debtor, to claims of creditors. Thus, the acts are substantially beneficial to creditors and are believed to have no downside to them.

PLEASE TAKE FURTHER NOTICE that Debtor and shareholders will execute the following documents, subject to court approval:

1. Amendment to Articles of Incorporation of Husch & Husch, Inc., a copy of which is hereto attached as Exhibit 1;
2. Amendment to Shareholder Agreement, a copy of which is hereto attached as Exhibit 2; and
3. Minutes of a Special Meeting of the Board of Directors and Shareholders of Husch & Husch, Inc., a Washington Corporation, a copy of which is attached as Exhibit 3.

PLEASE TAKE FURTHER NOTICE that Debtor believes executing the three documents is in the best interest of Debtor and creditors of the estate. It will improve Debtor's financial statement and Debtor's ability to obtain financing to pay all creditors in full and dismiss the Chapter 11 case.

PLEASE TAKE FURTHER NOTICE that should you not object in the manner hereinafter set forth, an order approving Debtor's Motion shall be presented to the court for entry without further notice to you. Should you object, a hearing shall be scheduled to determine the issues raised by your objection and you shall be notified of the time and place of hearing.

PLEASE TAKE FINAL NOTICE that if you object to the above proposal/request, you must do so in writing setting forth specifically the nature and basis of your objection and serve the undersigned attorney for Debtor at 421 W. Riverside Avenue, Suite 960, Spokane, Washington 99201, within twenty-four (24) days from the date of mailing this notice. In addition, you must file the original of your objection with the Clerk of the United States Bankruptcy Court at 402 E. Yakima Avenue, Suite 200, Yakima, Washington 98901, and serve or mail a copy to the United States Trustee at 920 W. Riverside, Suite 593, Spokane, Washington 99201.

DATED this 23rd day of November, 2020.

SOUTHWELL & O'ROURKE, P.S.

BY: /s/ Dan O'Rourke
DAN O'ROURKE, WSBA #4911
Attorney for Debtor

Date mailed: 11/23/2020

Notice-2

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Amendment to Articles of Incorporation of HUSCH & HUSCH, INC.

Pursuant to Washington's Business Corporation Act, RCW 23B, Husch & Husch, Inc., adopts the following Articles Amendment to its Articles of Incorporation, filed November 16, 1965, and dated November 5, 1965 (hereinafter, "Articles of Incorporation").

ARTICLE V.

AMENDMENT. As an addition to Article V of the Articles of Incorporation, the Corporation adds the following: In addition to the original capital stock of the corporation issued as indicated in the Articles of Incorporation, hereinafter, referred to as "Class A voting common shares," Husch & Husch, authorizes non-voting common shares, hereinafter called "Class B non-voting common shares." The Class B non-voting common shares shall have no voting rights under RCW 23B.10.040(1)(a), (e), or (f), as now existing or hereinafter amended. Except as to voting, the Class A voting common shares and the Class B non-voting common shares shall be identical in every respect and share all of the same rights and privileges.

Husch & Husch, Inc. shall issue 53.559 non-voting common shares, with a par value of \$100 each. 43.251 of the non-voting common shares shall be issued to Deanna L. Husch. 10.318 shares of the non-voting common shares shall be issued to L. Kelly Husch.

As of December 31, 2019, L. Kelly Husch owned 170.50 Class A voting common shares. Deanna L. Husch owned 161.478834 Class A voting common shares. Allen D. Husch owned 9.021166 Class A voting common shares.

Dated: December 31, 2019.

By: _____
Allen D. Husch, Secretary of Husch & Husch, Inc.

EXHIBIT 1

Amendment to Shareholder Agreement

This Agreement, made and entered to this 31st day of December 2019, between L. Kelly Husch, Deanna L. Husch, and Allen D. Husch, collectively referred to as the “Shareholders,” and Husch & Husch, Inc., a Washington Corporation, hereinafter, referred to as the “Corporation.”

I. RECITALS

I. The Shareholders are the owners of all of the presently issued and outstanding shares of capital stock (hereinafter referred to as, “Class A voting common shares”) of the Corporation.

II. On July 14, 1976, the prior shareholders of the Corporation entered a Shareholder Agreement (hereinafter, “Shareholder Agreement”). The Shareholder Agreement refers to “capital stock.” The parties to this Agreement intend to refer to the former capital stock by the name, “Class A voting common shares.” The new class of non-voting common shares shall be referred to as “Class B non-voting common shares.”

III. The parties to this amendment to shareholder agreement have agreed to issue 53.559 Class B non-voting common shares to Deanna Husch and L. Kelly Husch, with 43.241 shares to Deanna Husch and 10.318 shares to L. Kelly Husch.

IV. The parties to this Agreement desire to be bound to the Shareholder Agreement, dated July 14, 1976, and to have the Class B non-voting common shares subject to the Shareholder Agreement, dated July 14, 1976.

AGREEMENT

A. **Application of Shareholder Agreement:** The Shareholders agree that each is bound to the Shareholder Agreement, dated July 14, 1976, for all of the shares he/she currently owns, Class A voting common shares and Class B non-voting common shares. They agree that Class A voting common shares and the Class B non-voting common shares in this Agreement shall both be considered “capital stock” and “shares of the Corporation” in the Shareholder Agreement, with the Class A voting shares and the Class B non-voting shares having identical rights in all respect, except voting.

EXHIBIT 2

B. **Application of Shareholder Agreement to Class B non-voting common shares:** The Shareholders agree that the 53.559 Class B non-voting common shares issued to Deanna L. Husch and L. Kelly Husch shall be subject to the terms of the Shareholder Agreement, dated July 14, 1976, to the same extent as all other shares in the Corporation.

C. Except as modified above, all provisions of the Shareholder Agreement, dated July 14, 1976, shall remain in force.

Date: _____

Husch & Husch, Inc.

By: _____
Printed: _____
Its president

By: _____
Printed: _____
Its secretary

Allen D. Husch

L. Kelly Husch

Deanna L. Husch

MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS AND SHAREHOLDERS OF
HUSCH & HUSCH, INC.,
A WASHINGTON CORPORATION

Corporate office at 8031 Branch Road, Harrah, Washington 98933

A special meeting of the Board of Directors was held at the office of the Corporation on December 31, 2019 beginning the hour of 9 A.M. of said day.

All Directors and Shareholders were present. All shareholders agree that they have had the notice of this meeting as required by RCW 23B.07.050, or as otherwise required.

It is agreed to amend the Articles of Incorporation to allow the issuance of non-voting shares, effective December 31, 2019. It is agreed that at present there are 341 shares outstanding of capital stock, hereinafter referred to as "Class A voting common shares." L. Kelly Husch owns 50% or 170.50 shares and Deanna L. Husch owns 47.354497% or 161.478834 shares and Allen D. Husch owns 2.645503% or 9.021166 shares.

It is agreed that the most recent assessed value of the corporation is \$9,000,000.

The Board of Directors recommends that Husch & Husch, Inc. issue a new class of common shares that are non-voting, hereinafter referred to as "Class B non-voting common shares." It recommends that the non-voting common shares shall not have voting rights as allowed by RCW 23B.10.040(1)(a), (e), or (f). The shareholders agree unanimously to amend the Articles of Incorporation as recommended by the Board of Directors to allow for two classes of common shares, Class A voting common shares and Class B non-voting common shares, with the shares having equal rights, otherwise, except the Class B non-voting common shares shall not have the rights in RCW 23B.10.040(1)(a), (e), or (f).

EXHIBIT 3

The shareholders agree that the loans to the corporation from L. Kelly Husch, and Deanna Husch total \$964,062.58. This consists of loans of \$185,723.50 by L. Kelly Husch to the corporation and \$778,339.08, of loan by Deanna Husch to the corporation. The shareholders agree that the loaned amounts will be converted to Class B non-voting common shares. The new Class B non-voting common shares will have all of the same rights as the outstanding Class A voting common shares, except they shall not have any voting rights, in RCW 23B.10.040(1)(a), (e), or (f), or any other respect.

It is agreed that 53.559 Class B non-voting common shares are authorized to be issued, 43.241 shares to Deanna Husch and 10.318 shares to L. Kelly Husch. The Class B non-voting common shares shall have a par value of \$100 per share.

Notwithstanding any other provision of these Articles of Incorporation or of the bylaws of Husch & Husch, and in addition to any other vote that may be required by statute, or the Articles of Incorporation of Husch & Husch, Inc., the vote of the holders of all classes of Class A voting common shares authorized and outstanding of Husch & Husch, Inc. agree to amend and revise Section V of Articles of Incorporation. It is unanimously agreed (by more than 2/3 of the Class A voting common share shareholders entitled to vote) that the Articles of Incorporation and the Shareholder Agreement, dated July 14, 1976, be amended to include the Class B non-voting common shares as indicated in the attached Amended Articles of Incorporation. The shareholders also unanimously agree to amend the Shareholder Agreement, dated July 14, 1976, and to adopt the Amended Shareholder Agreement attached.

There being no further business the meeting was adjourned.

Dated this ____ day of December, 2019.

President

Secretary

Vice-President

EXHIBIT 3